



1215 K Street/Suite 1200
Sacramento, CA 95814
916/443-7933
fax 916/443-1960
www.cbiam.org

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May 8, 2019

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

**RE: Senate Bill 50 (Wiener), As amended May 1, 2019 –
HOUSING CREATOR - SUPPORT**

Dear Senator Portantino:

The California Building Industry Association (CBIA), representing the state's approximately 3,000 homebuilders and land developers involved in the home construction industry, writes to inform you that we have taken a support position on your bill, Senate Bill 50, the More HOMES Act, and have identified it as a "Housing Creator."

As you know, CBIA instituted its "Housing Killer" and "Housing Creator" lists to be used as a tool to highlight bills that will either exacerbate or ameliorate the current housing crisis. We have found that SB 50, which incentivizes the production of high-density housing in transit-rich areas, will have a beneficial impact on the condition of housing and it has therefore been deemed a "Housing Creator." SB 50 will help to relieve the acute housing shortage and affordability crisis in California's cities.

As California continues to grapple with an unprecedented housing affordability crisis, the **Housing Creator** list labels specific legislative proposals based on whether they will either help increase housing for Californians or further exacerbate the housing crisis. Given the gravity of the current housing crisis, the staggering shortage of homes available to Californians of diverse income levels, and the massive underproduction of homes needed to keep pace with demand, SB 50 provides a clear pathway that will help to end the crisis.

In order to place bills on either list, we enumerated several criteria with which to judge a bill's merits as it relates to housing. With regard to SB 50, we found the following:

- **Will the bill stimulate housing production and supply? YES.** SB 50 encourages increased housing production in areas with high-quality transit by exempting these areas from certain restrictive zoning standards.
- **Will it decrease the cost to build houses? YES.** Simplifying processes and allowing greater economies of scale will help bring down the cost to build houses.
- **Will it make housing less expensive for Californians? YES.** The bill encourages the production of small and mid-rise apartment buildings. With the increase in supply, this bill could help lower prices for Californians.
- **Will it make any of the processes associated with homebuilding such as the entitlement, approval, or permitting processes less complicated, easier, and expeditious? YES.** The bill simplifies the approval process by establishing clear state minimum zoning near high-quality transit and eliminating capricious limitations on density in neighborhoods adjacent to transit.

- **Does it encourage homeownership? YES.** It encourages homeownership by stimulating production of higher density infill housing.
- **Does it decrease regulatory barriers? YES.** This bill creates a simple method for increasing density without having to deal with limitations stemming from zoning, maximum floor area ratios, minimum parking requirements, and maximum height limitations.
- **Does the bill propose to resolve the housing crisis fairly, with an egalitarian distribution of the solution? YES.** This bill does not balance the burden of the housing crisis unfairly on any housing segment.

Senator, we appreciate your efforts to address California's grave housing crisis and look forward to working with you on this and your other housing-related legislation. For the reasons stated above, we request a yes vote on SB 50. Please contact me at (916) 340-3338 if you have any questions about our position.

Sincerely,

A handwritten signature in black ink, appearing to read "m. gunning", with a small dot above the final flourish.

Michael A. Gunning
Senior Vice President of Legislative Affairs

cc Honorable Members, Senate Appropriations Committee
 Honorable Scott Wiener
 Committee Consultant, Senate Appropriations Committee